



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 31, 2006

### **H.R. 3961**

**A bill to authorize the National Park Service to pay for services rendered by subcontractors under a General Services Administration Indefinite Deliver/Indefinite Quantity Contract issued for work to be completed at the Grand Canyon National Park**

*As ordered reported by the House Committee on Resources on July 19, 2006*

### **SUMMARY**

H.R. 3961 would require the National Park Service (NPS) to make payments to certain subcontractors who performed work at the Grand Canyon National Park but were not paid by the prime contractor. CBO estimates that implementing the bill would increase direct spending by about \$1 million in 2007, that amount but would be offset by less spending over the 2008-2010 period, and the net impact of the bill on direct spending over the 2007-2010 period would be insignificant.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3961 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
<b>CHANGES IN DIRECT SPENDING</b>					
Estimated Budget Authority	1	*	*	*	0
Estimated Outlays	1	*	*	*	0
Note: * = less than \$500,000.					

## **BASIS OF ESTIMATE**

H.R. 3961 would require the NPS to use collections from the Grand Canyon National Park's entrance fees to pay subcontractors associated with Pacific General, Inc. (PGI), a California-based firm for construction work performed in 2002 and 2003. The NPS has paid \$10 million to PGI through a General Services Administration contract for numerous Grand Canyon National Park construction projects, and \$1.3 million of that amount was owed, but not paid to the firm's subcontractors. PGI has since gone out of business.

Entrance fees collected by the NPS are recorded in the budget as offsetting receipts and are available without further appropriation. For this estimate, CBO assumes that H.R. 3961 will be enacted near the start of fiscal year 2007. CBO expects that requiring the NPS to pay PGI's subcontractors would cost \$1.3 million in 2007. CBO estimates that spending of park entrance fees would be reduced by \$1.3 million over the 2008-2010 period. Thus, the bill's net impact on spending over the 2007-2010 period would not be significant.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

The legislation contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

**ESTIMATE PREPARED BY:**

Federal Costs: Matthew Pickford

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Amy Petz

**ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis